

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17505
December 17, 2015**

R E S O L U T I O N

Resolution T-17505. This Resolution Adopts \$33.116 Million in California High Cost Fund-A Support for Calendar Year 2016.

Summary

This Resolution adopts a total of \$33.116 million in California High Cost Fund-A (CHCF-A) support for Calendar Year (CY) 2016 to be disbursed to the following ten Small Incumbent Local Exchange Carriers (Small ILECs): 1) Calaveras Telephone Company; 2) Cal-Ore Telephone Company; 3) Ducor Telephone Company; 4) Foresthill Telephone Company; 5) Kerman Telephone Company; 6) Pinnacles Telephone Company; 7) The Ponderosa Telephone Company; 8) Sierra Telephone Company; 9) Siskiyou Telephone Company; and 10) Volcano Telephone Company. The remaining three Small ILECs, Happy Valley Telephone Company, Hornitos Telephone Company, and Winterhaven Telephone Company did not request any CHCF-A support for CY 2016. This represents a 0.4% increase in support between CYs 2015 (\$32.995 million) and 2016 (\$33.116 million).

Table 1 below provides monthly and yearly CHCF-A support amounts that are authorized by this Resolution for the ten Small ILECs that requested CHCF-A support for CY 2016:

Table 1		
Small Incumbent Local Exchange Carrier	Monthly Support 2016	Yearly Support 2016
Calaveras Telephone Company	\$182,142.29	\$2,185,707.44
Cal-Ore Telephone Company	\$90,059.21	\$1,080,710.50
Ducor Telephone Company	\$191,532.15	\$2,298,385.74
Foresthill Telephone Company	\$208,353.90	\$2,500,246.74
Kerman Telephone Company	\$294,977.05	\$3,539,724.59
Pinnacles Telephone Company	\$20,345.45	\$244,145.44
The Ponderosa Telephone Company	\$265,640.57	\$3,187,686.85
Sierra Telephone Company	\$1,015,152.40	\$12,181,828.83
Siskiyou Telephone Company	\$202,313.36	\$2,427,760.29
Volcano Telephone Company	\$289,161.98	\$3,469,943.77
	\$2,759,678.36	\$33,116,140.19

This Resolution directs the Communications Division (CD) in concert with the Administrative Services Division (ASD) to issue the authorized support payments to each of the Small ILECs on a monthly basis within 30 days after the close of each calendar month. The CY 2016 CHCF-A support payments are contingent on the availability of funds and subject to final appropriations in the annual Budget Act.

Background

In Decision (D.) 88-07-022, the California Public Utilities Commission (Commission) established the California High Cost Fund (HCF) to provide a source of supplemental revenues to three mid-size and seventeen Small ILECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service. In D.96-10-066, the Commission renamed the HCF to CHCF-A. There were originally 17 Small ILECs. Through mergers and consolidations¹, there are now 13 Small ILECs that are eligible for CHCF-A funding.

P.U. Code § 275.6 requires the Commission to implement the CHCF-A program to reduce any rate disparity in rural areas charged by small telephone corporations that are subject to rate-of-return regulation. Rate-of-return regulation authorizes the Small ILECs the opportunity to earn up to a specific rate-of-return. To facilitate that opportunity, program funding bridges the revenue differential between the basic service rate revenue paid by the Small ILECs' customers and the revenue requirement

¹ In D.08-10-010, the Commission authorized the consolidation of three Small ILECs: Citizens Telecommunications Company of Tuolumne, Citizens Telecommunications Company of the Golden State and Global Valley Networks, Inc. with the midsize ILEC of Citizens Telecommunications Company of California Inc., which is now known as Frontier Communications, and subject to the CHCF-B Fund and in D.13-05-028, the Commission authorized the consolidation of Frontier Communications West Coast Inc. into Citizens Telecommunications Company of California Inc. (doing business as Frontier Communications of California).

needed by a Small ILEC to achieve its authorized rate-of-return. The CHCF-A program is scheduled to sunset on January 1, 2019.²

On December 18, 2014, the Commission adopted D.14-12-084 in the first phase of Rulemaking (R.)11-11-007. The Commission established a new rate floor and rate ceiling for basic residential service. The Commission held that the Small ILECs' basic rates must be in the range of \$30 to \$37, inclusive of additional charges³ and held that actual basic service rates would be determined in individual general rate cases.

On June 25, 2015, the Commission adopted D.15-06-048, which established a general rate case plan for the Small ILECs. The decision adopted an annual application cycle for the Small ILECs' GRC submissions and established a timeline for processing the GRCs.⁴ The decision also held that the Small ILECs' cost of capital issues would be examined in a consolidated proceeding and the results would be applied in individual GRCs.⁵

Notice of Advice Letters

During September and October, 2015, thirteen Small ILECs submitted their annual CHCF-A Advice Letters (ALs) and supplemental filings in accordance with D.91-09-042. Ten Small ILECs requested a total CY 2016 CHCF-A support of approximately \$32.739 million. Three Small ILECs did not request any CHCF-A support: Happy Valley Telephone Company, Hornitos Telephone Company, and Winterhaven Telephone Company.

Table 2 below provides a summary of the ALs:

² On September 22, 2014, the Governor signed into law SB 1364, extending the program from January 1, 2015 to January 1, 2019. The bill is codified in P.U. Code § 275.6(g).

³ D.14-12-084, OP 9.

⁴ LifeLine expense forecasts are also itemized in the annual CHCF-A-004 submission, line 3(a)

⁵ LifeLine expense forecasts are also itemized in the annual CHCF-A-004 submission, line 3(a)

By Advice Letter No.	Filed By:		Date Filed:	2016 CHCF-A Support Requested (in millions):
348	Calaveras Telephone Company	(Calaveras)	9/15/2015	\$2.211
363	California -Oregon Telephone Company	(Cal-Ore)	9/15/2015	\$1.059
362	Ducor Telephone Company	(Ducor)	9/15/2015	\$2.127
327	Foresthill Telephone Company	(Foresthill)	9/11/2015	\$2.333
350	Happy Valley Telephone Company	(Happy Valley)	9/1/2015	\$0.000
321	Hornitos Telephone Company	(Hornitos)	9/1/2015	\$0.000
404A	Kerman Telephone Company	(Kerman)	10/15/2015	\$3.540
267	Pinnacles Telephone Company	(Pinnacles)	9/15/2015	\$0.186
444	The Ponderosa Telephone Company	(Ponderosa)	9/16/2015	\$3.187
435A	Sierra Telephone Company	(Sierra)	9/25/2015	\$12.181
401	Siskiyou Telephone Company	(Siskiyou)	9/14/2015	\$2.426
387	Volcano Telephone Company	(Volcano)	9/15/2015	\$3.489
244	Winterhaven Telephone Company	(Winterhaven)	9/1/2015	\$0.000
			TOTAL	\$32.739

The thirteen Small ILECs' 2016 CHCF-A AL filings appeared in the Commission's Daily Calendar during September and October 2015.

Protests

On September 30 and October 5, 2015, the Office of Ratepayer Advocates (ORA) filed protests to Kerman's AL 404 and Cal-Ore's AL 363, respectively. No other parties submitted protests.

ORA's protests assert that Kerman and Cal-Ore failed to adequately support the reasonableness of their CHCF-A fund requests for CY 2016 and raised the following issues:

Kerman Telephone Company (AL 404)

In AL 404, Kerman originally requested CHCF-A support of \$6,044,785, a 72% increase of \$2,499,612.42 for CY 2016 compared to the Commission's 2015 authorized support of \$3,545,172.58. ORA states that Kerman incorrectly used an unauthorized support amount in its 2016 CHCF-A calculations. ORA states that Kerman should have applied the Commission's authorized 2015 support of \$3,545,172.58 instead of \$6,044,785 because the Commission has not yet approved this amount for CY 2016.

Cal-Ore Telephone Company (AL 363)

In its AL filing, Cal-Ore forecasted \$19,716.54 in reimbursements from the California LifeLine Program (LifeLine) in its calculations for the CHCF-A support.⁶ ORA states that Cal-Ore did not provide adequate LifeLine incremental administrative cost documentation to confirm that such expenditures are incremental. ORA also states that Cal-Ore is requesting an increase in LifeLine reimbursements even though its LifeLine customer count has declined.

On September 30, 2015, ORA sent a Data Request (DR) to Cal-Ore requesting documents and work papers in support of its monthly LifeLine claims, including dollar amounts, cost descriptions, and incremental administrative cost per subscriber. Cal-Ore responded to the DR on October 2, 2015. ORA states that Cal-Ore's response was deficient, because while its documents include records that demonstrate Cal-Ore's expenditures for certain expense categories, the data only provides dollar amounts without specific data describing actual LifeLine Program work performed. ORA states that Cal-Ore's work descriptions are insufficient for determining if their Lifeline costs are reasonable.

Finally, ORA states that Cal-Ore's LifeLine customer count has decreased for the past three years, yet its reimbursement requests have increased during the same period, resulting in Cal-Ore requesting a proportionally higher amount of LifeLine reimbursement per customer. Therefore, ORA asserts that Cal-Ore did not provide adequate data to support its request for a higher LifeLine reimbursement per customer.

Response to Protests

Kerman Telephone Company

On October 7, 2015, Kerman filed reply comments to the ORA protest filing. Kerman agrees with ORA that its CHCF-A support request in AL 404 is "unauthorized" because the Commission has not yet adopted it through the general rate case process. But, Kerman states that its proposed amount of \$6,044,785 for CY2016 is reasonable, stating that it is a placeholder figure in anticipation of a decision before the end of 2015. Kerman remains hopeful that a decision in its rate case will be issued by the end of the year, but maintains that there must be a contingency in the event that the decision is delayed. If a decision is not reached in the rate case such that new rates and a corresponding CHCF-A draw can be reached by January 1, 2016, Kerman stated that it is entitled to the CHCF-A adjustments that are authorized in D.91-09-042.

On October 13, 2015, Kerman confirmed this intent by submitting supplemental AL 404A, showing the appropriate 2015 Commission-authorized support of \$3,545,172.58 in its 2016 request, to account for that contingency.

⁶ LifeLine expense forecasts are also itemized in the annual CHCF-A-004 submission, line 3(a).

Cal-Ore Telephone Company

On October 12, 2015, Cal-Ore filed reply comments to the ORA protest filing, responding that the \$19,716.54 adjustment for “regulatory changes of industry-wide effect” is a standard and well-established adjustment, consistent with D.91-09-042, D.14-12-084 and D.10-11-033. For the past three years, Cal-Ore has submitted the amount of its annual LifeLine-related costs that are not recovered by the Set Support Amount (“SSA”) and administrative recovery mechanism in the LifeLine program. This adjustment is authorized by D.10-11-033, and the Commission has made similar adjustments for Cal-Ore in each of those years through the CHCF-A process.

Cal-Ore cited D.10-11-033, which states “For any costs reported above the allowable LifeLine administrative claim, such carriers are permitted to include those costs in their general administrative costs. Until their next rate case, such carriers are permitted to claim reimbursement for any difference from the CHCF-A.”⁷ Cal-Ore’s next GRC is scheduled for Test Year (TY) 2018, and Cal-Ore should be allowed these adjustments based on D.10-11-033 until its next GRC concludes.

Further, Cal-Ore states that it is not “double-recovering” administrative LifeLine costs through the GRC and AL processes as ORA argues. Cal-Ore contends that because it has not had a GRC proceeding since D.10-11-033 was issued, no double-recovery is possible. Cal-Ore further asserts that it has made no LifeLine adjustment projections and there is no guesswork or estimate involved. Cal-Ore’s LifeLine adjustment is based on the actual amount claimed through the LifeLine claims process, which is not reimbursed from a separate fund.

Finally, in response to ORA’s concern that Cal-Ore’s LifeLine claims have increased while its LifeLine customer count has decreased, Cal-Ore replies that its LifeLine claims vary, based on annual administrative activities, not based on customer count.

Discussion

A. Protested Items

CD has evaluated the protested items and recommends the following:

Kerman Telephone Company

Since no GRC decision has been issued in A.11-12-011, CD finds merit in ORA’s protest. However, since Kerman has revised its request in AL 404A in response to ORA’s protest and has reduced the proposed CHCF-A support level, the issue is moot. Further discussion addressing this issue follows in Section B.

⁷ D.10-11-033, p. 91.

Cal-Ore Telephone Company

CD has reviewed Cal-Ore's data and its response to ORA's protest and finds that the reduction to LifeLine support is the result of net settlement effects of regulatory changes to state support mechanisms ordered by the Commission, the reimbursement of which the Commission has allowed in past years (D.91-09-042, Appendix, Part B). As such, CD finds that this reimbursement proposed by Cal-Ore to compensate for the LifeLine program changes is reasonable, as further discussed in Section B. under "Revenue Effect Associated with California LifeLine Decision 10-11-033."

B. 2016 CHCF-A Rules and Orders Considered

CD reviewed the AL filings made by the Small ILECs in connection with the CY 2016 CHCF-A revenue requirements and, in many cases, revised their respective requests after reviewing data updates. Ten of the thirteen Small ILECs requested a total of \$32.739 million in CHCF-A support for CY 2016. The \$0.377 million differential between the ten Small ILECs' cumulative request of \$32.739 million and CD's recommended CHCF-A support of \$33.116 million is due to final Net Interstate Expense Adjustment data provided by the National Exchange Carrier Association (NECA), other adjustments due to Federal Communications Commission (FCC) and Commission decisions and rulings, and calculation errors made by the Small ILECs.

CD's total recommended amount is also based on the following FCC and Commission rulings and decisions:

GRCs

Kerman's GRC application in A.11-12-011 remains an ongoing proceeding, during the course of which the Commission has subsequently extended a freeze of Kerman's "waterfall" (associated with CHCF-A funding levels between a Small ILEC's GRC filing dates as described later this section). Since then, the Commission has held evidentiary hearings in this proceeding, and a decision is anticipated in January 2016. However, as a contingency to account for the possibility that a decision is not adopted in time for the January 2016 CHCF-A support payment (scheduled for February 2016), Kerman has filed AL 404A, which calculates Kerman's continued support for CY 2016. When a decision in A.11-12-011 is issued, it should include consideration for a true-up to account for any difference between the funding approved by this Resolution and that approved by the decision in A.11-12-011.

Concurrently, the Commission is reviewing the CHCF-A program in the ongoing R.11-11-007. Likewise, and as a result of this continuing proceeding, the Commission has subsequently extended a freeze in the waterfall mechanism for all of the Small ILECs except for Kerman, in anticipation of a decision adopting a Small ILEC rate case plan. On June 25, 2015, the Commission adopted a rate case plan in D.15-06-048. This

decision established a timeline for GRC proceedings and places the ten Small ILECs CHCF-A recipients into one of three groups as shown below in Table 3.

Table 3	
Group	Date
Group A (Kerman, Siskiyou, Volcano)	Kerman TY 2016; Siskiyou and Volcano file GRC in 2015 for TY 2017
Group B (Calaveras, Cal-Ore, Ponderosa and Sierra)	GRC filing by 10/1/2016 for TY 2018
Group C (Ducor, Foresthill, Pinnacles)	GRC filing by 10/1/2017 for TY 2019

Waterfall

Pursuant to the Implementation Rules in D.91-09-042 and D.15-06-048, the phase-down of the CHCF-A funding level is reinitiated effective January 1 following the year after the completion of a Small ILEC's GRC, and follows a six-year course. A Small ILEC's CHCF-A funding level remains at 100% for the first 3 years after GRC completion; the funding level is then reduced to 80% during the fourth year if no subsequent GRC application is submitted. The funding level then drops to 50% during the fifth year if no GRC application is submitted, and the funding level is further reduced to 0% during the sixth year. This 6-year phase down of funding level is known as the Waterfall.

The funding levels for the thirteen Small ILECs for CY 2016 are summarized in Table 4:

Table 4		
Small ILEC	GRC Test Year	CY 2016
Calaveras	2009	100%
Cal-Ore	2009	100%
Ducor	2009	100%
Foresthill	2012	100%
Happy Valley	1997	0%
Hornitos	1997	0%
Kerman	2016	100%
Pinnacles	2009	100%
Ponderosa	2009	100%
Sierra	2008	80%
Siskiyou	2011	100%
Volcano	2008	80%
Winterhaven	1997	0%

D.15-06-048 also confirmed the continuance of each Small ILECs' waterfall funding level, pending compliance with timely submission of respective GRC applications.⁸ Sierra and Volcano did not file a GRC by December 31, 2012. Accordingly, their respective funding levels remain at 80%, due to the GRC moratorium (which includes the waterfall freeze) pending a decision in R.11-11-007. Pursuant to D.15-06-048, Siskiyou and Volcano filed respective Notices of Intent on October 1, 2015, to file GRCs for test year (TY) 2017 no later than December 1, 2015. It is expected that Calaveras, Cal-Ore, Ponderosa, and Sierra will file respective Notices of Intent in 2016 for TY 2018, followed by Ducor, Pinnacles, and Foresthill in 2017 for TY 2019. Happy Valley, Hornitos and Winterhaven do not draw support from the CHCF-A fund as their respective funding levels pursuant to the CHCF-A waterfall criteria have reached 0%, and none of these carriers have requested further support from the CHCF-A fund.

Net Interstate Expense Adjustment

Section B of the Implementation Rules in D.91-09-042 authorizes the Small ILECs to include any changes to their federal Universal Service Fund (USF) funding in the annual CHCF-A filings. According to Resolution T-16117, any change of USF funding level must be determined for each carrier by the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The current year's forecasted USF support is the amount adopted by the Commission for the current year CHCF-A revenue requirement. The coming year's forecasted USF is the amount projected by NECA, the administrator of USF.⁹

In response to the NECA funding changes, we have adjusted each Small ILECs' CHCF-A CY 2016 support by incorporating the final NECA adjustment data in the means test, as described in Section B, titled "CHCF-A Support Summary by Carrier."

Revenue Effect Associated with Connect America Fund – Intercarrier Compensation

The FCC's Connect America Fund (FCC 11-161) instituted comprehensive intercarrier compensation reform "For rate-of-return carriers, recovery will be calculated initially based on rate-of-return carriers' fiscal year 2011 interstate switched access revenue requirement, intrastate access revenues that are being reformed as part of this Order, and net reciprocal compensation revenues. This baseline will decline at five percent

⁸ D.15-06-048 at 18: It would be unreasonable to penalize those carriers that are currently drawing 100% of their CHCF-A funding by making them subject to the waterfall provisions while simultaneously not allowing these carriers to file a GRC until a future year. It is reasonable to suspend the waterfall provision while Groups A through C submit their respective first rounds of GRC applications. Two of the Small ILECs, Sierra and Volcano, have waterfalls currently at 80%. Both of these carriers will remain at 80% until their first GRC applications cycle is completed.

⁹ NECA provided projected 2016 USF payment data on October 1, 2015.

annually...” The CHCF-A program allows for annual recovery of the difference in declining intercarrier compensation.¹⁰

Revenue Effect Associated with California LifeLine Decision 10-11-033

The Commission by D.10-11-033 modified the California LifeLine program. In relation to the Small ILECs, the decision limited the amount carriers can receive for administration and bad debt losses. The Small ILECs are reimbursed for their administrative expenses at up to \$0.50 per weighted average customer count as provided monthly by the California LifeLine Administrator until their next GRC. This is reinforced in D.14-01-036, which states “Therefore, rate-of-return companies, operating under Commission-approved tariffs, may seek lost revenue recovery as limited by D.10-02-016 for monthly recurring residential basic telephone service rates from the CHCF-A through the GRC process (or through an annual advice letter until the GRC filing year) for monthly recurring residential basic telephone service rates that neither the California Lifeline participant nor the California LifeLine Program will reimburse.¹¹ CD staff has reviewed each Small ILEC’s LifeLine-related reimbursement request and finds the amounts reasonable. Cal-Ore has adequately supported these costs and resulting means test calculations.

Ducor’s Application for Rehearing A.09-03-002

Ducor’s Application for Rehearing (A.09-03-002) of Resolution T-17157 (TY 2009) was addressed in Resolution T-17312, after D.10-05-022 granted a limited hearing on five capital expenditure items that Ducor challenged in A.09-03-002. Resolution T-17312 modified two of the five capital expenditure disallowances adopted in Resolution T-17157 and increased Ducor’s TY 2009 support from CHCF-A by \$46,892 from \$2,514,516 to \$2,561,408. This adjustment is reflected in Appendix A, Page A-3, Line 4B “Year 2016 Revenue Requirement”.

Means Test

Section B of the Implementation Rules in D.91-09-042 requires that each Small ILEC’s CHCF-A support request be subject to a means test so that the support is limited to forecasted intrastate results of operations and the total intrastate revenue requirement result does not exceed the authorized rate of return of 10%. Our means test calculation results indicate that Ducor, Pinnacles, Ponderosa and Sierra forecast earnings exceed a 10% rate of return. Therefore, the means test is designed to limit CHCF-A support so that the Small ILECs’ resulting intrastate revenue requirements reflect a rate of return cap of 10%.

¹⁰ D.91-09-042, Appendix, Part B “Annual Settlements Effects and HCF Adjustments”

¹¹ D.14-01-036 at page 39

Additionally, the Small ILECs provide an estimate for Line 5b USF-HCLS (under Net Interstate Expense Adjustment in Attachment A) when submitting their respective ALs. CD uses these final NECA USF-HCLS numbers, which may result in the Small ILEC receiving more or less funding than originally requested.

The means test includes consideration for state operating fixed charges (interest), subject to review by the means test process.¹² The forecasted earnings must be based on at least seven months of recorded financial data, annualized for the year that the advice letter is filed. D. 91-09-042 also provides that the means test is not required in determining a Small ILEC's CHCF-A funding for the first 12 months after a decision or Resolution is issued by the Commission in a GRC proceeding.

C. CHCF-A Support Summary by Carrier

CD reviewed the AL filings made by the thirteen Small ILECs for CY 2016 CHCF-A funding. CD's recommended support amount for each of the Small ILECs is summarized below and itemized in Appendix A.

Calaveras, Page A-1 of Appendix A

Calaveras's authorized CY 2016 CHCF-A revenue requirement is \$2,185,707.44 (at Line 6, Page A-1 of Appendix A). After applying the means test, Calaveras' revenue requirement remains at \$2,185,707.44 (at Line 11, Page A-1 of Appendix A). Thus, Calaveras should receive monthly CHCF-A support in the amount of \$182,142.29, i.e. one-twelfth of \$2,185,707.44 for January through December 2016.

Cal-Ore, Page A-2 of Appendix A

Cal-Ore's authorized CY 2016 CHCF-A revenue requirement is \$1,080,710.50 (at Line 6, Page A-2 of Appendix A). After applying the means test, Cal-Ore's revenue requirement remains at \$1,080,710.50 (at Line 11, Page A-2 of Appendix A). Thus, Cal-Ore should receive monthly CHCF-A support in the amount of \$90,059.21, i.e. one-twelfth of \$1,080,710.50, for January through December 2016.

Ducor, Page A-3 of Appendix A

Ducor's authorized CY 2016 CHCF-A revenue requirement is \$2,905,389.98 (at Line 6, Page A-3 of Appendix A). After applying the means test, Ducor's revenue requirement is reduced to \$2,298,385.74 (at Line 11, Page A-3 of Appendix A). Thus, Ducor should

¹² D.91-09-042 amending D.91-05-016, replacing Conclusion of Law 3, stating: "The CHCF rules should be modified to limit CHCF support to amounts which would provide no more than the utility's authorized intrastate rate of return or to the current funding level for the year for which CHCF is being requested, whichever is lower, using a "means test" as proposed by DRA. The means test should be based on forecasted intrastate rate of return using at least seven months of recorded data annual for the year in which the CHCF advice letter is filed and adjusted for known Commission regulatory decisions for determining appropriate funding levels for the utility."

receive monthly CHCF-A support in the amount of \$191,532.15, i.e. one-twelfth of \$2,298,385.74 for January through December 2016.

Foresthill, Page A-4 of Appendix A

Foresthill's authorized CY 2016 CHCF-A revenue requirement is \$2,500,246.74 (at Line 6, Page A-4 of Appendix A). After applying the means test, Foresthill's revenue requirement remains at \$2,500,246.74 (at Line 11, Page A-4 of Appendix A). Thus, Foresthill should receive monthly CHCF-A support in the amount of \$208,353.90, i.e. one-twelfth of \$2,500,246.74 for January through December 2016.

Happy Valley, Page A-5 of Appendix A

Happy Valley's authorized CY 2016 CHCF-A revenue requirement is \$2,830,406.27 (at Line 6, Page A-5 of Appendix A). In its AL, Happy Valley stated that it not requesting any CHCF-A funding. Its waterfall funding level is already at 0%. Thus, Happy Valley will not receive any CHCF-A support for CY 2016.

Hornitos, Page A-6 of Appendix A

Hornitos' authorized CY 2016 CHCF-A revenue requirement is \$580,312.00 (at Line 6, Page A-6 of Appendix A). In its AL, Hornitos stated that it is not requesting a draw from the CHCF-A. Its waterfall funding level is already 0%. Thus, Hornitos will not receive any CHCF-A support for CY 2016.

Kerman, Page A-7 of Appendix A

Kerman's authorized CY 2015 CHCF-A revenue requirement is \$3,539,724.59 (at Line 6, Page A-7 of Appendix A). After the means test, Kerman's revenue requirement remains at \$3,539,724.59 (at Line 11, Page A-7 of Appendix A). Thus, Kerman should receive monthly CHCF-A support in the amount of \$294,977.05, i.e. one-twelfth of \$3,539,724.59, for January through December 2016.

Pinnacles, Page A-8 of Appendix A

Pinnacles' authorized CY 2016 CHCF-A revenue requirement is \$451,488.45 (at Line 6, Page A-8 of Appendix A). After the means test, Pinnacles' revenue requirement is reduced to \$244,145.44 (at Line 11, Page A-8 of Appendix A). Thus, Pinnacles should receive monthly CHCF-A support in the amount of \$20,345.45, i.e. one-twelfth of \$244,145.44, for January through December 2016.

Ponderosa, Page A-9 of Appendix A

Ponderosa's authorized CY 2016 CHCF-A revenue requirement is \$4,859,949.04 (at Line 6, Page A-9 of Appendix A). After the means test, Ponderosa's revenue requirement is reduced to \$3,187,686.85 (at Line 11, Page A-9 of Appendix A). Thus, Ponderosa should

receive monthly CHCF-A support in the amount of \$265,640.57, i.e. one-twelfth of \$3,187,686.85, for January through December 2016.

Sierra, Page A-10 of Appendix A

Sierra's authorized CY 2016 CHCF-A revenue requirement is \$15,922,833.30 (at Line 6, Page A-10 of Appendix A). After the means test, Sierra's revenue requirement is reduced to \$15,227,286.04 (at Line 11, Page A-10 of Appendix A) before incorporating the waterfall adjustment. Sierra's waterfall will remain at 80% for CY 2016; therefore, its revenue requirement after incorporating the waterfall calculation is further reduced to \$12,181,828.83 (at Line 13, Page A-10 of Appendix A). Thus, Sierra should receive monthly CHCF-A support in the amount of \$1,015,152.40, i.e. one-twelfth of \$12,181,828.83, for January through December 2016.

Siskiyou, Page A-11 of Appendix A

On October 1, 2015, Siskiyou filed a Notice of Intent to file a GRC no later than December 1, 2015. Siskiyou's authorized CY 2016 CHCF-A revenue requirement is \$2,427,760.29 (at Line 6, Page A-11 of Appendix A). After the means test, Siskiyou's revenue requirement remains at \$2,427,760.29 (at Line 11, Page A-11 of Appendix A). Thus, Siskiyou should receive monthly CHCF-A support in the amount of \$202,313.36, i.e. one-twelfth of \$2,427,760.29, for January through December 2016.

Volcano, Page A-12 of Appendix A

On October 1, 2015, Volcano filed a Notice of Intent to file a GRC no later than December 1, 2015. Volcano's authorized CY 2016 CHCF-A revenue requirement is \$4,337,429.71 (at Line 6, Page A-12 of Appendix A). After the means test, Volcano's revenue requirement remains at \$4,337,429.71 (at Line 11, Page A-12 of Appendix A) before incorporating the waterfall adjustment. Volcano's waterfall will remain at 80% for CY 2016; therefore, its revenue requirement after incorporating the waterfall calculation is further reduced to \$3,469,943.77 (at Line 13, Page A-12 of Appendix A). Thus, Volcano should receive monthly CHCF-A support in the amount of \$289,161.98, i.e. one-twelfth of \$3,469,943.77 for January through December 2016.

Winterhaven, Page A-13 of Appendix A

Winterhaven's authorized CY 2016 CHCF-A revenue requirement is \$291,707.63 (at Line 6, Page A-13 of Appendix A). In its AL, Winterhaven stated that it is not requesting a draw from the CHCF-A. Its waterfall funding level is already 0%. Thus, Winterhaven will not receive any CHCF-A support for CY 2016.

D. Evaluation of CHCF-A Support Level to CHCF-A Budget

The Commission adopted \$43.328 million for FY 2015-16 (Resolution T-17447) and \$43.485 million for FY 2016-17 (Resolution T-17491) for CHCF-A program budgets. Of

the budgeted amounts, \$41.813 million is allocated for Local Assistance to the Small ILECs for both FY 2015-16 and FY 2016-17. There are sufficient funds in both the FY 2015-16 and FY 2016-17 budgets to cover CY 2016 CHCF-A support payments to the Small ILECs. These adopted budgets and the associated program support payments are contingent on the availability of funds, and the State's adoption of the CHCF-A budgets.

E. Summary

As shown in Table 5 and Appendix A, the total approved CY 2016 CHCF-A draw for Calaveras, Cal-Ore, Ducor, Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Volcano, and Winterhaven is \$33,116,140.19. The Commission finds CD's recommended CHCF-A support amounts for the thirteen Small ILECs for CY 2016 to be reasonable.

Table 5		
Small Incumbent Local Exchange Carrier	Monthly Support 2016	Yearly Support 2016
Calaveras Telephone Company	\$182,142.29	\$2,185,707.44
Cal-Ore Telephone Company	\$90,059.21	\$1,080,710.50
Ducor Telephone Company	\$191,532.15	\$2,298,385.74
Foresthill Telephone Company	\$208,353.90	\$2,500,246.74
Kerman Telephone Company	\$294,977.05	\$3,539,724.59
Pinnacles Telephone Company	\$20,345.45	\$244,145.44
The Ponderosa Telephone Company	\$265,640.57	\$3,187,686.85
Sierra Telephone Company	\$1,015,152.40	\$12,181,828.83
Siskiyou Telephone Company	\$202,313.36	\$2,427,760.29
Volcano Telephone Company	\$289,161.98	\$3,469,943.77
	\$2,759,678.36	\$33,116,140.19

CD, in concert with ASD, shall make the monthly support payments within 30 days after the close of each calendar month subject to the availability of CHCF-A funds and final appropriations adopted in the annual Budget Act.¹³ In the event that the monthly support payments due to the Small ILECs are not paid within 30 days after the close of each calendar month, CD shall include in those payments interest equal to the three-month commercial paper rate.

Safety Considerations

The Small ILECs are required to adhere to all Commission rules, decisions, General Orders and statutes including P.U. Code § 451 by undertaking all actions "...necessary

¹³ The January 2016 monthly support will be paid in February 2016 and the December 2016 monthly support will be paid in January 2017.

to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.” The CHCF-A subsidy provides the Small ILECs with financial resources to provide safe, reliable and affordable telephone service to their customers in rural, high cost areas.

Reliable telephone service is essential in rural, remote and isolated areas that the Small ILECs serve. The CHCF-A fund provides rural customers with access to 211 for essential community services, 311 for non-emergency municipal services, 511 for traffic and transportation information, 811 for public infrastructure underground location information, and 911 to reach police, fire and emergency medical responders when fire, natural disasters, medical emergencies, or other crises occur.

The CHCF-A fund also promotes customer access to advanced services and deployment of broadband-capable facilities. It has allowed the Small ILECs to locate their facilities underground and use fiber optic cable which protects equipment in case of fire and allows for the quicker deployment of broadband-capable facilities. In some Small ILEC territories, emergency responders set up emergency command centers and the Small ILECs must quickly provide responders with access to high quality voice communications and broadband. This Resolution ensures that the CHCF-A program continues to promote the goals of universal service by subsidizing essential communications links in high cost, rural communities.

Comments on Proposed Resolution

In compliance with P.U. Code § 311 (g), the Commission, on November 13, 2015, provided notice to the 13 small ILECs, the CHCF-A AC, and parties of record in R.01-08-002 and Application 99-09-044, informing them that this proposed Resolution is available at the Commission’s website <http://www.cpuc.ca.gov/> and is available for public comment. Additionally, CD informed these parties of the availability of the conformed resolution at the same website.

On December 7, 2015, the Small ILECs filed comments on this Resolution. The Small ILECs stated their support for the findings of this Resolution.

Findings and Conclusions

1. In Decision (D.) 88-07-022, the Commission established the High Cost Fund (HCF).
2. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Incumbent Local Exchange Carriers (ILECs) and seventeen Small ILECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten federal universal service.

3. In D.96-10-066, the Commission renamed HCF to the California High Cost Fund –A (CHCF-A).
4. P.U. Code § 270(b) requires that the CHCF-A fund be used only for the purposes of the program and upon appropriation in the annual Budget Act.
5. P.U. Code § 275.6 was amended to extend the CHCF-A program to January 1, 2019.
6. In D.08-10-010, the Commission authorized the consolidation of three Small ILECs: Citizens Telecommunications Company of Tuolumne, Citizens Telecommunications Company of the Golden State and Global Valley Networks, Inc. with the midsize ILEC of Citizens Telecommunications Company of California Inc., which is now known as Frontier.
7. In D.13-05-028, the Commission authorized the consolidation of Frontier Communications West Coast Inc., into the midsize ILEC, Citizens Telecommunications Company of California Inc. doing business as Frontier Communications of California.
8. There are currently 13 Small ILECs that are eligible for CHCF-A funding.
9. In D.14-12-084, the Commission adopted a new rate floor and rate ceiling for the Small ILECs' basic residential service and held that the basic residential service rates must be in the range of \$30-\$37, inclusive of additional charges.
10. In D.14-12-084, the Commission held that each Small ILEC's actual basic service rates would be determined in individual GRCs.
11. In D.15-06-048, the Commission adopted a general rate case plan, established an annual application cycle for the Small ILECs' GRC submissions, and established a timeline for processing the GRCs..
12. In D.15-06-048, the Commission held that the Small ILECs' cost of capital issues will be examined in a consolidated proceeding and that the results of the consolidated proceeding will be applied in individual GRCs of the Small ILECs.
13. The thirteen Small ILECs' 2016 CHCF-A AL filings appeared in the Commission's Daily Calendar during September and October 2015.
14. On September 30 and October 5, 2015, the Office of Ratepayer Advocates (ORA) filed protests to Kerman Telephone Company's (Kerman) AL 404 and Cal-Ore Telephone Company's (Cal-Ore) AL 363, respectively. No other parties submitted protests.
15. On October 7 and 12, 2015, Kerman and Cal-Ore filed reply comments to ORA's protests, respectively.
16. The differential between the Small ILECs' cumulative request of \$32.739 million and Communications Division's (CD) recommended CHCF-A support of \$33.116 million is due to final Net Interstate Expense Adjustment data, provided by the National

Exchange Carrier Association (NECA), and other adjustments due to Federal Communications Commission (FCC) and Commission Decisions and Rulings.

17. When a Commission decision is issued in A.11-12-011, it should include consideration for a true-up to account for any difference between the funding approved by this Resolution and that approved by the decision.
18. Pursuant to D.15-06-048, Siskiyou and Volcano filed respective Notices of Intent on October 1, 2015, to file GRCs for Test Year (TY) 2017 no later than December 1, 2015.
19. Each Small ILEC's CHCF-A Calendar Year (CY) 2016 support has been adjusted by incorporating final NECA adjustment data in the means test, as described in Section B, "CHCF-A support summary by carrier".
20. Ducor Telephone Company's (Ducor) Application for Rehearing (A.09-03-002) of Resolution T-17157 (TY 2009) was addressed in Resolution T-17312, after D.10-05-022 granted a limited hearing on five capital expenditure items that Ducor challenged in A.09-03-002.
21. Resolution T-17312 modified Ducor's two of the five capital expenditure disallowances adopted in Resolution T-17157 and increased Ducor's TY 2009 support from CHCF-A by \$46,892 from \$2,514,516 to \$2,561,408.
22. In Resolution T-17447, the Commission adopted a CHCF-A program of budget \$43.328 million for FY 2015-16.
23. In Resolution T-17491, the Commission adopted a CHCF-A program of budget \$43.485 million for FY 2016-17.
24. There are there are sufficient funds from the FY 2015-16 and FY 2016-17 budgets to cover CY 2016 CHCF-A support payments to the Small ILECs.
25. CD's total recommended CHCF-A support amount for CY 2016 is \$33,116,140.19.
26. CD's recommended CHCF-A support for each of the thirteen Small ILECs as summarized in Appendix A of this Resolution is reasonable and should be adopted.
27. The monthly support payments from January 2016 through December 2016 shall be paid by CD in concert with the Administrative Services Division within 30 days after the close of each calendar month.
28. The CHCF-A support payments are subject to the availability of CHCF-A funds and final appropriations in the annual Budget Act.
29. If monthly support payments due to the Small ILECs are not paid within 30 days after the close of each calendar month, CD should include in those payments interest equal to the three-month commercial paper rate.
30. P.U. Code § 275.6 promotes customer access to advanced services and deployment of broadband-capable facilities in rural areas.

31. The CHCF-A program promotes universal service by subsidizing essential communications services in high cost, rural areas.
32. In compliance with P.U. Code § 311 (g), the Commission, on November 13, 2015, provided notice to the 13 small ILECs, the CHCF-A AC, and parties of record in R.01-08-002 and Application 99-09-044, informing them that this proposed Resolution is available at the Commission's website <http://www.cpuc.ca.gov/> and is available for public comment.
33. On December 7, 2015, the Small ILECs commented on this Resolution. The Small ILECs stated their support for the findings of this Resolution.

THEREFORE, IT IS ORDERED that:

1. The California High Cost Fund-A support for each of the thirteen Small Incumbent Local Exchange Carriers, as described in this Resolution and summarized in Appendix A of this Resolution, is adopted.
2. The total approved California High Cost Fund-A support of \$33.116 million for the Small Incumbent Local Exchange Carriers for Calendar Year 2016 is itemized in Table 6:

Table 6		
Small Incumbent Local Exchange Carrier	Monthly Support 2016	Yearly Support 2016
Calaveras Telephone Company	\$182,142.29	\$2,185,707.44
Cal-Ore Telephone Company	\$90,059.21	\$1,080,710.50
Ducor Telephone Company	\$191,532.15	\$2,298,385.74
Foresthill Telephone Company	\$208,353.90	\$2,500,246.74
Kerman Telephone Company	\$294,977.05	\$3,539,724.59
Pinnacles Telephone Company	\$20,345.45	\$244,145.44
The Ponderosa Telephone Company	\$265,640.57	\$3,187,686.85
Sierra Telephone Company	\$1,015,152.40	\$12,181,828.83
Siskiyou Telephone Company	\$202,313.36	\$2,427,760.29
Volcano Telephone Company	\$289,161.98	\$3,469,943.77
	\$2,759,678.36	\$33,116,140.19

3. Communications Division, in concert with the Administrative Services Division, shall pay the monthly support payments to the ten Small Incumbent Local Exchange Carriers in Table 6 for January 2016 through December 2016 within 30 days after the close of each calendar month. Late payments shall accrue interest at the three-month commercial paper rate.

4. The California High Cost Fund -A support payments totaling \$33,116,140.19 for the thirteen Small Incumbent Local Exchange Carriers are contingent on the availability of funds and subject to final appropriations in the annual Budget Act.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 17, 2015. The following Commissioners approved it:

TIMOTHY J. SULLIVAN
Executive Director

Appendix A

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
		(Col A)	(Col B)	(Col C)
		Calaveras	Staff	Commission
		AL 348	Proposed	Adopted
1 2015 CHCF-A Requirement		\$2,213,568.35	\$2,213,568.35	\$2,213,568.35
	(Resolution T-17461, Appendix A line 8)			
2 Prior Year Adjustments (Non-Recurring)		(\$19,603.35)	(\$16,292.57)	(\$16,292.57)
a	Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$19,603.35)	(\$16,292.57)	(\$16,292.57)
3 Year 2016 Impacts (Non-Recurring)		\$11,489.37	\$11,489.32	\$11,489.32
a	LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$11,489.37	\$11,489.32	\$11,489.32
4 Year 2016 Impacts (Recurring)		\$5,144.88	\$5,144.88	\$5,144.88
a	FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$5,144.88	\$5,144.88	\$5,144.88
b	GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)			
5 Net Interstate Expense Adjustment				
a	Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$2,191,760.62	\$2,191,760.62	\$2,191,760.62
b	Projected 2016 USF-HCLS (Per NECA)	(\$2,191,760.62)	(\$2,219,963.16)	(\$2,219,963.16)
c	Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	(\$28,202.54)	(\$28,202.54)
6 2016 CHCF-A Revenue Requirement		\$2,210,599.25	\$2,185,707.44	\$2,185,707.44
	(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase				
	(1-Party Residential Flat-Rate Service)			
8 Total 2016 Revenue Requirement		\$2,210,599.25	\$2,185,707.44	\$2,185,707.44
	(Beginning CHCF-A Revenue Requirement for 2016)			
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support		\$2,210,599.25	\$2,185,707.44	\$2,185,707.44
11 2016 Revenue Requirement after Means Test		\$2,210,599.25	\$2,185,707.44	\$2,185,707.44
12 Waterfall effect		100.00%	100.00%	100.00%
13 2016 Revenue Requirement after Waterfall		\$2,210,599.25	\$2,185,707.44	\$2,185,707.44
14 Adjustments		\$0.00	\$0.00	\$0.00
15 2016 CHCF-A Support		\$2,210,599.25	\$2,185,707.44	\$2,185,707.44
16 Monthly Payment for Periods Jan - Dec 2016		\$184,216.60	\$182,142.29	\$182,142.29
	(Line 15/12)			

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Cal-Ore	Staff	Commission	
	AL 363	Proposed	Adopted	
1 2015 CHCF-A Requirement	\$1,054,196.69	\$1,110,113.94	\$1,110,113.94	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	(\$17,711.55)	(\$17,711.55)	(\$17,711.55)	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$17,711.55)	(\$17,711.55)	(\$17,711.55)	
3 Year 2016 Impacts (Non-Recurring)	\$19,716.54	\$19,716.49	\$19,716.49	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$19,716.54	\$19,716.49	\$19,716.49	
4 Year 2016 Impacts (Recurring)	\$2,588.70	\$2,588.70	\$2,588.70	
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$2,588.70	\$2,588.70	\$2,588.70	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$897,388.00	\$897,388.00	\$897,388.00	
b Projected 2016 USF-HCLS (Per NECA)	(\$897,388.00)	(\$931,385.08)	(\$931,385.08)	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	(\$33,997.08)	(\$33,997.08)	
6 2016 CHCF-A Revenue Requirement	\$1,058,790.38	\$1,080,710.50	\$1,080,710.50	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$1,058,790.38	\$1,080,710.50	\$1,080,710.50	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$1,058,790.38	\$1,080,710.50	\$1,080,710.50	
11 2016 Revenue Requirement after Means Test	\$1,058,790.38	\$1,080,710.50	\$1,080,710.50	
12 Waterfall effect	100.00%	100.00%	100.00%	
13 2016 Revenue Requirement after Waterfall	\$1,058,790.38	\$1,080,710.50	\$1,080,710.50	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$1,058,790.38	\$1,080,710.50	\$1,080,710.50	
16 Monthly Payment for Periods Jan - Dec 2016	\$88,232.53	\$90,059.21	\$90,059.21	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Ducor	Staff	Commission	
	AL 362	Proposed	Adopted	
1 2015 CHCF-A Requirement	\$2,692,457.15	\$2,692,457.15	\$2,692,457.15	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	(\$13,170.42)	(\$13,170.42)	(\$13,170.42)	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$13,170.42)	(\$13,170.42)	(\$13,170.42)	
3 Year 2016 Impacts (Non-Recurring)	\$2,228.64	\$2,228.64	\$2,228.64	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$2,228.64	\$2,228.64	\$2,228.64	
4 Year 2016 Impacts (Recurring)	\$52,560.68	\$52,560.68	\$52,560.68	
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$5,668.68	\$5,668.68	\$5,668.68	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)	\$46,892.00	\$46,892.00	\$46,892.00	
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$772,158.46	\$772,158.46	\$772,158.46	
b Projected 2016 USF-HCLS (Per NECA)	(\$772,158.46)	(\$600,844.53)	(\$600,844.53)	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$171,313.93	\$171,313.93	
6 2016 CHCF-A Revenue Requirement	\$2,734,076.05	\$2,905,389.98	\$2,905,389.98	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$2,734,076.05	\$2,905,389.98	\$2,905,389.98	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$2,734,076.05	\$2,905,389.98	\$2,905,389.98	
11 2016 Revenue Requirement after Means Test	\$2,127,083.64	\$2,298,385.74	\$2,298,385.74	
12 Waterfall effect	100.00%	100.00%	100.00%	
13 2016 Revenue Requirement after Waterfall	\$2,127,083.64	\$2,298,385.74	\$2,298,385.74	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$2,127,083.64	\$2,298,385.74	\$2,298,385.74	
16 Monthly Payment for Periods Jan - Dec 2016	\$177,256.97	\$191,532.15	\$191,532.15	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Foresthill	Staff	Commission
	AL 327	Proposed	Adopted
1 2015 CHCF-A Requirement	\$2,469,833.00	\$2,469,833.04	\$2,469,833.04
(Resolution T-17461, Appendix A line 8)			
2 Prior Year Adjustments (Non-Recurring)	\$0.00	\$0.00	\$0.00
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00
3 Year 2016 Impacts (Non-Recurring)	\$0.00	\$0.00	\$0.00
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00
4 Year 2016 Impacts (Recurring)	\$5,897.94	\$5,897.94	\$5,897.94
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$5,897.94	\$5,897.94	\$5,897.94
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)			
5 Net Interstate Expense Adjustment			
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$1,957,727.00	\$1,957,727.32	\$1,957,727.32
b Projected 2016 USF-HCLS (Per NECA)	(\$2,100,000.00)	(\$1,933,211.56)	(\$1,933,211.56)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$142,273.00)	\$24,515.76	\$24,515.76
6 2016 CHCF-A Revenue Requirement	\$2,333,457.94	\$2,500,246.74	\$2,500,246.74
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase			
(1-Party Residential Flat-Rate Service)			
8 Total 2016 Revenue Requirement	\$2,333,457.94	\$2,500,246.74	\$2,500,246.74
(Beginning CHCF-A Revenue Requirement for 2016)			
9 Temporary Surcredit			
10 2016 Revenue Requirement eligible for CHCF-A Support	\$2,333,457.94	\$2,500,246.74	\$2,500,246.74
11 2016 Revenue Requirement after Means Test	\$2,333,457.94	\$2,500,246.74	\$2,500,246.74
12 Waterfall effect	100.00%	100.00%	100.00%
13 2016 Revenue Requirement after Waterfall	\$2,333,457.94	\$2,500,246.74	\$2,500,246.74
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2016 CHCF-A Support	\$2,333,457.94	\$2,500,246.74	\$2,500,246.74
16 Monthly Payment for Periods Jan - Dec 2016	\$194,454.83	\$208,353.90	\$208,353.90
(Line 15/12)			

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Happy Valley AL 350	Staff Proposed	Commission Adopted
1 2015 CHCF-A Requirement (Resolution T-17461, Appendix A line 8)	\$2,816,019.27	\$2,816,019.27	\$2,816,019.27
2 Prior Year Adjustments (Non-Recurring)	\$0.00	\$0.00	\$0.00
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00
3 Year 2016 Impacts (Non-Recurring)	\$0.00	\$0.00	\$0.00
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00
4 Year 2016 Impacts (Recurring)	\$14,387.00	\$14,387.00	\$14,387.00
a FCC National Broadband Plan(5% reduction Intercarrier Comp(FCC11-161, Paragraph 851)	\$14,387.00	\$14,387.00	\$14,387.00
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)			
5 Net Interstate Expense Adjustment			
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected 2016 USF-HCLS (Per NECA)	\$0.00	\$0.00	\$0.00
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$0.00	\$0.00
6 2016 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$2,830,406.27	\$2,830,406.27	\$2,830,406.27
7 Rate Increase (1-Party Residential Flat-Rate Service)			
8 Total 2016 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2016)	\$2,830,406.27	\$2,830,406.27	\$2,830,406.27
9 Temporary Surcredit			
10 2016 Revenue Requirement eligible for CHCF-A Support	\$2,830,406.27	\$2,830,406.27	\$2,830,406.27
11 2016 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2016 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2016 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2016 (Line 15/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Hornitos	Staff	Commission	
	AL 321	Proposed	Adopted	
1 2015 CHCF-A Requirement	\$575,514.00	\$575,514.00	\$575,514.00	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	\$0.00	\$0.00	\$0.00	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00	
3 Year 2016 Impacts (Non-Recurring)	\$0.00	\$0.00	\$0.00	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00	
4 Year 2016 Impacts (Recurring)	\$4,798.00	\$4,798.00	\$4,798.00	
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$4,798.00	\$4,798.00	\$4,798.00	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$0.00	\$0.00	\$0.00	
b Projected 2016 USF-HCLS (Per NECA)	\$0.00	\$0.00	\$0.00	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$0.00	\$0.00	
6 2016 CHCF-A Revenue Requirement	\$580,312.00	\$580,312.00	\$580,312.00	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$580,312.00	\$580,312.00	\$580,312.00	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$580,312.00	\$580,312.00	\$580,312.00	
11 2016 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00	
12 Waterfall effect	0.00%	0.00%	0.00%	
13 2016 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$0.00	\$0.00	\$0.00	
16 Monthly Payment for Periods Jan - Dec 2016	\$0.00	\$0.00	\$0.00	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Kerman	Staff	Commission	
	<u>AL 404A</u>	<u>Proposed</u>	<u>Adopted</u>	
1 2015 CHCF-A Requirement	\$3,545,172.58	\$3,545,172.58	\$3,545,172.58	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	<u>(\$27,131.00)</u>	<u>(\$27,131.28)</u>	<u>(\$27,131.28)</u>	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	<u>(\$27,131.00)</u>	<u>(\$27,131.28)</u>	<u>(\$27,131.28)</u>	
3 Year 2016 Impacts (Non-Recurring)	<u>\$33,234.39</u>	<u>\$33,234.37</u>	<u>\$33,234.37</u>	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$33,234.39	\$33,234.37	\$33,234.37	
4 Year 2016 Impacts (Recurring)	<u>\$9,454.53</u>	<u>\$9,454.53</u>	<u>\$9,454.53</u>	
a FCC National Broadband Plan(5% reduction Intercarrier Comp(FCC11-161, Paragraph 851)	\$9,454.53	\$9,454.53	\$9,454.53	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$2,032,176.00	\$2,032,176.28	\$2,032,176.28	
b Projected 2016 USF-HCLS (Per NECA)	<u>(\$2,053,181.89)</u>	<u>(\$2,053,181.89)</u>	<u>(\$2,053,181.89)</u>	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	<u>(\$21,005.89)</u>	<u>(\$21,005.61)</u>	<u>(\$21,005.61)</u>	
6 2016 CHCF-A Revenue Requirement	\$3,539,724.61	\$3,539,724.59	\$3,539,724.59	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$3,539,724.61	\$3,539,724.59	\$3,539,724.59	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$3,539,724.61	\$3,539,724.59	\$3,539,724.59	
11 2016 Revenue Requirement after Means Test	\$3,539,724.61	\$3,539,724.59	\$3,539,724.59	
12 Waterfall effect	100.00%	100.00%	100.00%	
13 2016 Revenue Requirement after Waterfall	\$3,539,724.61	\$3,539,724.59	\$3,539,724.59	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$3,539,724.61	\$3,539,724.59	\$3,539,724.59	
16 Monthly Payment for Periods Jan - Dec 2016	<u>\$294,977.05</u>	<u>\$294,977.05</u>	<u>\$294,977.05</u>	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Pinnacles	Staff	Commission	
	AL 267	Proposed	Adopted	
1 2015 CHCF-A Requirement	\$393,825.44	\$393,825.44	\$393,825.44	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	(\$5,268.13)	(\$5,268.13)	(\$5,268.13)	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$5,268.13)	(\$5,268.13)	(\$5,268.13)	
3 Year 2016 Impacts (Non-Recurring)	\$4,378.97	\$4,378.95	\$4,378.95	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$4,378.97	\$4,378.95	\$4,378.95	
4 Year 2016 Impacts (Recurring)	\$320.00	\$320.00	\$320.00	
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$320.00	\$320.00	\$320.00	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$281,615.73	\$281,615.73	\$281,615.73	
b Projected 2016 USF-HCLS (Per NECA)	(\$281,615.73)	(\$223,383.54)	(\$223,383.54)	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$58,232.19	\$58,232.19	
6 2016 CHCF-A Revenue Requirement	\$393,256.28	\$451,488.45	\$451,488.45	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$393,256.28	\$451,488.45	\$451,488.45	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$393,256.28	\$451,488.45	\$451,488.45	
11 2016 Revenue Requirement after Means Test	\$185,915.97	\$244,145.44	\$244,145.44	
12 Waterfall effect	100.00%	100.00%	100.00%	
13 2016 Revenue Requirement after Waterfall	\$185,915.97	\$244,145.44	\$244,145.44	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$185,915.97	\$244,145.44	\$244,145.44	
16 Monthly Payment for Periods Jan - Dec 2016	\$15,493.00	\$20,345.45	\$20,345.45	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Ponderosa	Staff	Commission	
	AL 444	Proposed	Adopted	
1 2015 CHCF-A Requirement	\$3,914,047.42	\$3,914,047.42	\$3,914,047.42	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	(\$23,796.41)	(\$23,796.41)	(\$23,796.41)	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$23,796.41)	(\$23,796.41)	(\$23,796.41)	
3 Year 2016 Impacts (Non-Recurring)	\$14,643.84	\$14,643.84	\$14,643.84	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$14,643.84	\$14,643.84	\$14,643.84	
4 Year 2016 Impacts (Recurring)	\$11,842.98	\$11,842.98	\$11,842.98	
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$11,842.98	\$11,842.98	\$11,842.98	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$7,003,798.40	\$7,003,798.40	\$7,003,798.40	
b Projected 2016 USF-HCLS (Per NECA)	(\$6,060,587.19)	(\$6,060,587.19)	(\$6,060,587.19)	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$943,211.21	\$943,211.21	\$943,211.21	
6 2016 CHCF-A Revenue Requirement	\$4,859,949.04	\$4,859,949.04	\$4,859,949.04	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$4,859,949.04	\$4,859,949.04	\$4,859,949.04	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$4,859,949.04	\$4,859,949.04	\$4,859,949.04	
11 2016 Revenue Requirement after Means Test	\$3,187,704.84	\$3,187,686.85	\$3,187,686.85	
12 Waterfall effect	100.00%	100.00%	100.00%	
13 2016 Revenue Requirement after Waterfall	\$3,187,704.84	\$3,187,686.85	\$3,187,686.85	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$3,187,704.84	\$3,187,686.85	\$3,187,686.85	
16 Monthly Payment for Periods Jan - Dec 2016	\$265,642.07	\$265,640.57	\$265,640.57	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
		(Col A)	(Col B)	(Col C)
		Sierra	Staff	Commission
		AL 435A	Proposed	Adopted
1	2015 CHCF-A Requirement	\$15,517,432.77	\$15,517,432.77	\$15,517,432.77
	(Resolution T-17461, Appendix A line 8)			
2	Prior Year Adjustments (Non-Recurring)	(\$47,775.85)	(\$47,775.85)	(\$47,775.85)
a	Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$47,775.85)	(\$47,775.85)	(\$47,775.85)
3	Year 2016 Impacts (Non-Recurring)	\$20,516.02	\$20,516.02	\$20,516.02
a	LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$20,516.02	\$20,516.02	\$20,516.02
4	Year 2016 Impacts (Recurring)	\$24,296.07	\$24,296.07	\$24,296.07
a	FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$24,296.07	\$24,296.07	\$24,296.07
b	GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)			
5	Net Interstate Expense Adjustment			
a	Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$2,728,595.06	\$2,728,595.06	\$2,728,595.06
b	Projected 2016 USF-HCLS (Per NECA)	(\$2,321,082.00)	(\$2,320,230.77)	(\$2,320,230.77)
c	Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$407,513.06	\$408,364.29	\$408,364.29
6	2016 CHCF-A Revenue Requirement	\$15,921,982.07	\$15,922,833.30	\$15,922,833.30
	(sum of lines 1, 2, 3 and 4 and 5c)			
7	Rate Increase			
	(1-Party Residential Flat-Rate Service			
8	Total 2016 Revenue Requirement	\$15,921,982.07	\$15,922,833.30	\$15,922,833.30
	(Beginning CHCF-A Revenue Requirement for 2016)			
9	Temporary Surcredit			
10	2016 Revenue Requirement eligible for CHCF-A Support	\$15,921,982.07	\$15,922,833.30	\$15,922,833.30
11	2016 Revenue Requirement after Means Test	\$15,226,434.71	\$15,227,286.04	\$15,227,286.04
12	Waterfall effect	80.00%	80.00%	80.00%
13	2016 Revenue Requirement after Waterfall	\$12,181,147.77	\$12,181,828.83	\$12,181,828.83
14	Adjustments	\$0.00	\$0.00	\$0.00
15	2016 CHCF-A Support	\$12,181,147.77	\$12,181,828.83	\$12,181,828.83
16	Monthly Payment for Periods Jan - Dec 2016	\$1,015,095.65	\$1,015,152.40	\$1,015,152.40
	(Line 15/12)			

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Siskiyou AL 401	Staff Proposed	Commission Adopted	
1 2015 CHCF-A Requirement	\$2,023,234.88	\$2,023,234.88	\$2,023,234.88	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	(\$17,531.36)	(\$17,531.36)	(\$17,531.36)	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	(\$17,531.36)	(\$17,531.36)	(\$17,531.36)	
3 Year 2016 Impacts (Non-Recurring)	\$2,644.75	\$2,644.75	\$2,644.75	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$2,644.75	\$2,644.75	\$2,644.75	
4 Year 2016 Impacts (Recurring)	\$13,511.39	\$13,511.39	\$13,511.39	
a FCC National Broadband Plan(5% reduction Intercarrier Comp(FCC11-161, Paragraph 851)	\$13,511.39	\$13,511.39	\$13,511.39	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$6,383,878.00	\$6,383,878.00	\$6,383,878.00	
b Projected 2016 USF-HCLS (Per NECA)	(\$5,979,921.00)	(\$5,977,977.37)	(\$5,977,977.37)	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$403,957.00	\$405,900.63	\$405,900.63	
6 2016 CHCF-A Revenue Requirement	\$2,425,816.66	\$2,427,760.29	\$2,427,760.29	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$2,425,816.66	\$2,427,760.29	\$2,427,760.29	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$2,425,816.66	\$2,427,760.29	\$2,427,760.29	
11 2016 Revenue Requirement after Means Test	\$2,425,816.66	\$2,427,760.29	\$2,427,760.29	
12 Waterfall effect	100.00%	100.00%	100.00%	
13 2016 Revenue Requirement after Waterfall	\$2,425,816.66	\$2,427,760.29	\$2,427,760.29	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$2,425,816.66	\$2,427,760.29	\$2,427,760.29	
16 Monthly Payment for Periods Jan - Dec 2016	\$202,151.39	\$202,313.36	\$202,313.36	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
	(Col A)	(Col B)	(Col C)	
	Volcano	Staff	Commission	
	AL 387	Proposed	Adopted	
1 2015 CHCF-A Requirement	\$4,345,712.39	\$4,345,712.39	\$4,345,712.39	
(Resolution T-17461, Appendix A line 8)				
2 Prior Year Adjustments (Non-Recurring)	\$0.00	\$0.00	\$0.00	
a Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00	
3 Year 2016 Impacts (Non-Recurring)	\$15,074.25	\$15,074.23	\$15,074.23	
a LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$15,074.25	\$15,074.23	\$15,074.23	
4 Year 2016 Impacts (Recurring)	\$15,309.17	\$15,309.17	\$15,309.17	
a FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$15,309.17	\$15,309.17	\$15,309.17	
b GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)				
5 Net Interstate Expense Adjustment				
a Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$919,412.47	\$919,412.47	\$919,412.47	
b Projected 2016 USF-HCLS (Per NECA)	<u>(\$919,412.47)</u>	<u>(\$958,078.55)</u>	<u>(\$958,078.55)</u>	
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	<u>(\$38,666.08)</u>	<u>(\$38,666.08)</u>	
6 2016 CHCF-A Revenue Requirement	\$4,376,095.81	\$4,337,429.71	\$4,337,429.71	
(sum of lines 1, 2, 3 and 4 and 5c)				
7 Rate Increase				
(1-Party Residential Flat-Rate Service)				
8 Total 2016 Revenue Requirement	\$4,376,095.81	\$4,337,429.71	\$4,337,429.71	
(Beginning CHCF-A Revenue Requirement for 2016)				
9 Temporary Surcredit				
10 2016 Revenue Requirement eligible for CHCF-A Support	\$4,376,095.81	\$4,337,429.71	\$4,337,429.71	
11 2016 Revenue Requirement after Means Test	\$4,360,786.33	\$4,337,429.71	\$4,337,429.71	
12 Waterfall effect	80.00%	80.00%	80.00%	
13 2016 Revenue Requirement after Waterfall	\$3,488,629.06	\$3,469,943.77	\$3,469,943.77	
14 Adjustments	\$0.00	\$0.00	\$0.00	
15 2016 CHCF-A Support	\$3,488,629.06	\$3,469,943.77	\$3,469,943.77	
16 Monthly Payment for Periods Jan - Dec 2016	\$290,719.09	\$289,161.98	\$289,161.98	
(Line 15/12)				

APPENDIX A
Resolution T- 17505

Year 2016 CHCF-A Requirement				
(On Annual Basis)				
		(Col A)	(Col B)	(Col C)
		Winterhaven	Staff	Commission
		AL 244	Proposed	Adopted
1	2015 CHCF-A Requirement	\$307,465.05	\$307,465.05	\$307,465.05
	(Resolution T-17461, Appendix A line 8)			
2	Prior Year Adjustments (Non-Recurring)	\$0.00	\$0.00	\$0.00
a	Lifeline Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00
3	Year 2016 Impacts (Non-Recurring)	\$0.00	\$0.00	\$0.00
a	LifeLine Reimbursement (D.10-11-033, Section 5.5.3)	\$0.00	\$0.00	\$0.00
4	Year 2016 Impacts (Recurring)	\$9,416.00	\$9,416.00	\$9,416.00
a	FCC National Broadband Plan(5% reduction Inter-carrier Comp(FCC11-161, Paragraph 851)	\$9,416.00	\$9,416.00	\$9,416.00
b	GRC Rehearing (Resolution T-17312 Ordering Paragraph 4)			
5	Net Interstate Expense Adjustment			
a	Projected 2015 USF-HCLS (Resolution T-17461, Appendix A line 5b)	\$58,411.45	\$58,411.45	\$58,411.45
b	Projected 2016 USF-HCLS (Per NECA)	(\$83,536.00)	(\$83,584.87)	(\$83,584.87)
c	Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$25,124.55)	(\$25,173.42)	(\$25,173.42)
6	2016 CHCF-A Revenue Requirement	\$291,756.50	\$291,707.63	\$291,707.63
	(sum of lines 1, 2, 3 and 4 and 5c)			
7	Rate Increase			
	(1-Party Residential Flat-Rate Service			
8	Total 2016 Revenue Requirement	\$291,756.50	\$291,707.63	\$291,707.63
	(Beginning CHCF-A Revenue Requirement for 2016)			
9	Temporary Surcredit			
10	2016 Revenue Requirement eligible for CHCF-A Support	\$291,756.50	\$291,707.63	\$291,707.63
11	2016 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12	Waterfall effect	0.00%	0.00%	0.00%
13	2016 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14	Adjustments	\$0.00	\$0.00	\$0.00
15	2016 CHCF-A Support	\$0.00	\$0.00	\$0.00
16	Monthly Payment for Periods Jan - Dec 2016	\$0.00	\$0.00	\$0.00
	(Line 15/12)			

End of the Appendix